

# Chapter Fourteen

## Program Costs

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### Overview

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#### Policy

Administrative funds are allocated to local agencies by the State agency through Intergovernmental Agreements (for governmental agencies) and contracts (non-governmental agencies). Amounts allocated to individual agencies is based on a “banded caseload formula”.

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#### Criteria

The amount of administrative funds allocated to a local agency is based on the following:

- The estimate of food and nutrition services and administration (NSA) grant amounts for the upcoming fiscal year;
- The current caseload being served by the local agency in the current fiscal year and the projected caseload to be served in the coming fiscal year;
- The percentage of potentially eligible participants in the local agency’s service area being served;
- The capability of the local agency to increase services.

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## Chapter Fourteen

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#### In this chapter

This chapter is divided into six (6) sections which detail State and local agency responsibilities, allowable program costs, and how to determine and report costs and one (1) appendix.

Section	Title	Page Number
A	Allowable Costs	3
B	Types of Allowable Operational & Administrative Costs	4
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## Program Costs

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### Section A

#### Allowable Costs

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#### Introduction

Allowable program costs consist of food costs and operational and administrative costs. In general, costs necessary to fulfill program objectives are allowable costs.

Note: For further information, see FNS Instruction 808-1Part One, pages VI-5 through VI-16.

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#### Allowable food costs

##### Definition

The acquisition costs of supplemental foods provided to WIC participants are allowable food costs. Food costs may not exceed the food Vendor's customary price.

Note: Sales tax will not be collected on WIC purchases.

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#### Allowable operational & administrative costs

##### Definition

Operational and administrative costs are costs (other than food costs) which are associated with fulfilling program objectives.

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#### Section B

#### Types of Allowable Operational and Administrative Costs

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<b>Type 1: Salaries</b>	The cost of salaries and time spent on certification of potential WIC participants, whether found eligible or ineligible.
<b>Type 2: Outreach</b>	The cost of outreach services.
<b>Type 3: Food delivery</b>	The cost of monitoring and administering the food delivery system.
<b>Type 4: Interpreters</b>	The cost of interpreters and translators for materials.
<b>Type 5: Fair hearings</b>	The cost of show cause meetings and fair hearings, including the cost of an independent medical assessment of the appellant, if necessary.
<b>Type 6: Monitoring</b>	The cost of monitoring and reviewing program operations.
<b>Type 7: Capital equipment</b>	<p>The cost of capital equipment, provided that prior approval from the WIC Coordinator is obtained for purchases over \$1,000.00.</p> <p><u>Note:</u> The State agency will forward any request for capital expenditures more than \$25,000.00 to USDA Food and Nutrition Services (FNS) for approval.</p>

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**Type 8: ADP items**

Purchase of any ADP-related items (hardware and software) less than \$25,000.00 requires the prior approval of the WIC State Agency. Purchases \$25,000.00 and above require prior approval of the FNS.

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**Type 9: nutrition education**

The cost of providing nutrition education to WIC participants in accordance with the procedures outlined in Chapter Nine.

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## Program Costs

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### Section C

#### Allowable Nutrition Education Costs

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##### Introduction

During each federal fiscal year an amount equal to at least one-sixth (1/6) of the funds expended by the State agency and local agencies for administrative costs will be used for general nutrition education. An additional specified amount will be used for breastfeeding promotion.

Nutrition education and breastfeeding promotion costs are limited to activities which are distinct and separate from other program costs. These efforts must be specifically aimed to help participants understand the importance of nutrition to health and breastfeeding.

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##### Salaries

With proper documentation the following costs are allowed:

Portions of the salaries of employees who plan and/or perform nutrition education and breastfeeding promotion activities for individuals and groups.

Allowable time is the time necessary to:

- Conduct nutrition education and breastfeeding promotion as well as the time spent for planning and preparation of sessions;
  - Train professional and paraprofessional staff on how to provide nutrition education and promote breastfeeding;
  - Monitor the documentation and quality of education provided to participants. This includes time spent reviewing and evaluating the use of the tickler cards or face sheets;
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- Evaluate nutrition education and breastfeeding promotion, including the collection of participants' opinions. Evaluation includes time the nutritionist spends observing participant education by CNWs, and reviewing materials used for education and breastfeeding promotion;
  - Develop nutrition education and breastfeeding promotion materials.
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#### **Travel expenses**

Travel expenses related to obtaining or providing nutrition education and breastfeeding promotion activities, such as mileage and per diem.

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#### **Materials**

Nutrition education and breastfeeding materials, including the cost of development, printing and distribution of education materials. Allowable costs also include the purchase of equipment or teaching aids for nutrition education or breastfeeding promotion.

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#### **Staff training**

Registration fees for staff nutrition or breastfeeding education.

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#### Section D

#### How to Report Nutrition Education Costs

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##### Introduction

The cost of providing nutrition education is determined by the amount of money paid to personnel to travel to, conduct and attend nutrition education training sessions.

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This section will be divided into three (3) parts:

- How to complete the daily time sheet;
  - How to calculate the cost of personnel time spent on nutrition education;
  - How to complete the Nutrition Education Cost Summary Report.
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#### Section D1

#### How to Complete the Daily Time Sheet

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**Introduction** On an annual basis, each employee will complete a Daily Time Sheet (see Attachment VII-A) each work day during a representative month according to the following directions:

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**Headings** Fill in the Month, Year, Local agency and Employee's Name.

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**Date** Note the date of each week day. (Do not include weekends.) If it was a holiday, sick day, or vacation day, write this by the appropriate date.

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**Participant education** Log in minutes the time spent each day on nutrition (NT) education or breastfeeding (BF) education. Log only the actual time spent providing education.

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<b>Example 1</b>	The staff person provides breastfeeding instruction to a participant for 10 minutes. Log 10 minutes of BF education.
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<b>Example 2</b>	The staff member conducts a 10 minute nutrition class for a group of 15. Log 15 minutes of NT education.
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**Staff training** Log in minutes the time spent in training staff on nutrition or breastfeeding education.

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<b>Example 1</b>	A one hour training session for CNW's on bottle habits would be logged as 60 minutes of Staff Training, NT.
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<b>Example 2</b>	A half-hour training session on breastfeeding techniques would be logged as 30 minutes of Staff Training, BF.
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#### Travel Time

Log in minutes the time spent traveling to workshops, training sessions, and outlying clinics for NT or BF education. Travel time is logged according to the percentage of time spent on participant education or administrative duties.

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#### Example

Three (3) hours were spent traveling to and from a clinic. At the clinic, one-quarter of the time was spent on general nutrition education and another quarter was spent on breastfeeding education.

$\frac{1}{4} * 3 \text{ hours} = 45 \text{ minutes}$

Forty-five minutes (one quarter of the travel time) would be logged under the subheading NT, and 45 minutes (one quarter of the travel time) would be logged under BF.

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#### Other

Log in minutes the time spent on material development (MD), evaluation (E), preparation (P), and monitoring (M). Be sure to use these letter codes when logging time spent under this heading.

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#### Example

One (1) hour of material development would be logged as 60 minutes, MD.

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#### Total/Day

Add and record the number of minutes logged for each activity to obtain the total number of minutes spent each day on nutrition education.

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#### Total/Month Nutrition Training

Add and record the number of minutes reported under the NT subcategories: Participant Education, Staff Training, Travel Time, and Other.

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**Total/Month  
Breastfeeding  
Training**

Add and record the number of minutes reported under the BF subcategories: Education, Staff Training, Travel Time, and Other.

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**Total/Month  
Education**

Add and record the number of minutes spent all together on Nutrition Education and Breastfeeding Training.

Note: This should also be the total of the column entitled Total Minutes/Day for Nutrition Education.

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**Signature**

When completed, each employee should sign her/his Daily Time Sheet.

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# Chapter Fourteen

## Program Costs

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### Section D2

#### How to Calculate the Cost of Time Spent on Education

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##### Introduction

To calculate the cost of personnel time spent on education, determine how much time was spent and how much was paid out for the time spent for each employee

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##### Determine education time

Ascertain how much time was spent on nutrition and/or breastfeeding education, using totals recorded on the front of the Daily Time Sheet. To determine the number of hours spent on education, divide the number of minutes spent on education by 60.

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**Example** 5,040 minutes of Nutrition Education/60=84 hours NT

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##### Calculate cost of time

To calculate the cost of personnel time, determine the staff person's hourly wage by dividing her/his annual salary and ERE (benefit package) by 2080 hours per year, and multiply this figure by the number of hours spent on education.

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**Example** The total of the annual salary and ERE is \$18,500.

$\$18,500 / 2080 \text{ hours/year} = \$8.89 \text{ (hourly rate)}$

The number of hours spent on NT is 84.

$8.89 * 84 = 746.76$

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Note: Calculate this figure for both Nutrition Education (NT) and Breastfeeding Training (BF).

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##### Recording/Reporting

Record the costs of Nutrition and Breastfeeding Education on the back of each employee's Daily Time Sheet. This information will also be reported on the Nutrition Education Cost Summary Sheet.

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## Chapter Fourteen

### Program Costs

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#### Section D3

#### How to Complete the Nutrition Education Cost Summary Sheet

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<b>Introduction</b>	<p>The Nutritionist or Project Director is responsible for completing the Nutrition Education Cost Summary Sheet (see Appendix A &amp; Forms).</p> <p><u>Note:</u> WIC-funded personnel are listed on one Nutrition Education Cost Summary Sheet. Personnel funded from all other sources should be reported on another Nutrition Education Cost Summary Sheet.</p>
<b>Name/source</b>	<p>On each sheet, complete the following:</p> <p>At the top of the sheet, fill in the local agency Name and the Funding Source (WIC, CSFP, other).</p>
<b>Staff name</b>	<p>Under CNW/Nutritionist Name (column A), list the name of the staff members funded by the funding source indicated at the top of the sheet.</p>
<b>Cost/education</b>	<p>In Cost of Personnel Time Spent on Education (column B), give the number of dollars spent providing nutrition or breastfeeding education according to the employees' Daily Time Sheets. (This amount was calculated on the back of each employee's Daily Time Sheet.)</p>
<b>Cost/travel</b>	<p>In the Travel Costs columns (columns C and D), record the mileage costs (number of miles X cost/mile, not to exceed \$.30 per mile), and per diem costs for nutrition and breastfeeding education. This is calculated according to the percentage of time spent on different activities.</p> <p><b>Example</b> Two (2) days are spent attending the Statewide Staff Meeting. One (1) day is for nutrition education training and the other day is for administration projects. Only one-half of the mileage to and from the meeting and one (1) day's per diem may be charged to nutrition education costs.</p>

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#### **Cost/materials**

In the Dollar Amount for Nutrition Education Materials (column E), record the names and/or types of materials and the amount of money spent on education materials during the entire fiscal year.

Note: Report nutrition and breastfeeding education material separately under NT and BF.

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#### **Total cost/year NT & BF**

Calculate the Total Cost/Year for nutrition and breastfeeding education:

- Determine the annual costs of personnel and travel for nutrition education. Add the monthly costs of Personnel Time Spent on Education (column 1) and Travel Costs (columns 3 and 5) and multiply this total by 12;
  - Determine the annual costs of personnel and travel for breastfeeding education. Add the monthly costs of personnel Time Spent on Education (column 2) and Travel Costs (columns 4 and 6) and multiply this total by 12;
  - Add the annual costs, Dollar Amount for Nutrition Education Materials (column 7 for nutrition, column 8 for breastfeeding education) to the yearly cost for personnel and travel (as calculated in (1) and (2) above) for both nutrition and breastfeeding education;
  - Record the totals in the upper right corner of the form next to the headings, Total Cost/Year for Nutrition Education and Total Cost/Year for Breastfeeding Education.
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#### **Total cost/year/all education**

Calculate the Total Cost/Year of Nutrition Education

Add the Total Cost/Year of Nutrition Education to the Total Cost/Year of Breastfeeding Education. This amount is recorded as the Total Nutrition Education Costs and should equal the total of columns 1-8.

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#### **Recording/ reporting**

The Nutrition Education Cost Summary Report should be sent by December 15<sup>th</sup> of the next fiscal year to:

WIC Coordinator  
Office of Nutrition and Chronic Disease Prevention  
Services  
150 North 18<sup>th</sup> Avenue, Suite 310  
Phoenix, Arizona 85007

Note: Local agencies should keep copies of the Nutrition by fiscal year. Copies should be retained for 5 years and 5 months.

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## **Chapter Fourteen**

### **Program Costs**

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#### **Section E**

#### **State Agency Responsibilities**

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The WIC Coordinator will monitor all expenditures to ensure that:

- Administrative costs do not exceed the amount allocated for administration on the current Letter of Credit;
- Total food and administration costs do not exceed the total funds authorized on the current Letter of Credit;
- Local agency expenditures are consistent with contracted amounts;
- One-sixth (1/6) of administrative funds are expended for nutrition education, and
- The required amount is expended for breastfeeding promotion.

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The State agency will provide guidance to local agencies and obtain clarification on any questions regarding allowable costs.

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The State Agency's Audit and Program Integrity Unit will ensure all expenditures of program funds are allowable costs as prescribed in Chapter Sixteen: Audits.

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The Accounting Section will initiate payment of all allowable costs accurately and promptly after receipt of goods or services.

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## Chapter Fourteen

### Program Costs

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#### Section F

#### Local Agency Responsibilities

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Local agencies will use program funds only for allowable costs specified in the Federal Regulations and those outlined above.

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Local agencies will pay all allowable expenses promptly. All expenditures will be reported within 30 calendar days following the submission of the agency's final Contractor's Expense Report.

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Local agencies will document nutrition education costs and breastfeeding costs annually using the Nutrition Education Cost Summary Sheet and the Daily Time Sheet.

Note: One sixth (1/6) of the total administrative budget is the minimum amount which should be used for nutrition education (not including breastfeeding education). The documentation of nutrition education costs should separately account for both general nutrition and breastfeeding education.

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## Chapter Fourteen

### Program Costs

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## Appendix A: Forms

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# Arizona WIC Program Time Study – Daily Log

Employee Name: \_\_\_\_\_

Date:\_\_\_\_\_

Time	Client Services	Nutrition Education	B/F Promo.	Admin	Tobacco Intervention	Other
6AM-7AM						
7AM-8AM						
8AM-9AM						
9AM-10AM						
10AM-11AM						
11AM-12PM						
12PM-1PM						
1PM-2PM						
2PM-3PM						
3PM-4PM						
4PM-5PM						
5PM-6PM						
6PM-7PM						
7PM-8PM						
8PM-9PM						
Daily Totals	<u>Minutes</u>	<u>Minutes</u>	<u>Minutes</u>	<u>Minutes</u>	<u>Minutes</u>	<u>Minutes</u>
Hours (Total min/60)						

Date	Client Svcs	Nutr. Ed	B/F Promo.	Admin	Tobacco Intervention	Other
Total for Month	Hours	Hours	Hours	Hours	Hours	Hours

**TIME STUDY-SUMMARY**

**Fiscal Year**\_\_\_\_\_

**Employee Name:**\_\_\_\_\_

**WIC Position/Title:**\_\_\_\_\_

**HOURS SPENT ON WIC ACTIVITIES/MONTH**

<b>Date</b>	<b>Client services</b>	<b>Nutrition Education</b>	<b>Breastfeeding</b>	<b>Administration</b>
<b>TOTAL FOR MONTH</b>	<b>_____</b> <b>HOURS</b>	<b>_____</b> <b>HOURS</b>	<b>_____</b> <b>HOURS</b>	<b>_____</b> <b>HOURS</b>

**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
CLIENT SERVICES EXPENDITURE REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC Position</b>	<b>Hours worked in WIC</b>	<b>Percent of WIC time on Client Services</b>	<b>Gross Annual Salary plus benefits with WIC \$</b>	<b>Annual Employee cost of Client Services</b>
<b>TOTAL</b>					

\* Col C=Col B/Col A  
\*\* Col E=Col C x Col D

**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
NUTRITION EDUCATION EXPENDITURE REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC Position</b>	<b>Hours worked in WIC</b>	<b>Hours spent on Nutrition Education</b>	<b>Percent of WIC time on Nutrition Education</b>	<b>Gross Annual Salary plus benefits with WIC \$</b>	<b>Annual Employee cost for Nutrition Education</b>
<b>TOTAL</b>						

\* Col C=Col B/Col A

\*\* Col E=Col C x Col D

**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
BREASTFEEDING PROMOTION EXPENDITURE REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC position</b>	<b>Hours worked in WIC</b>	<b>Hours spent on Breast-feeding Promotion</b>	<b>Percent of WIC time on Breast-feeding Promotion</b>	<b>Gross Annual Salary Plus benefits with WIC \$</b>	<b>Annual Employee cost for Breast-feeding Promotion</b>
<b>TOTAL</b>						

- \* Col C = Col B/Col A
- \*\* Col E = Col C x Col D



**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
ADMINISTRATION EXPENDITURE REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC Position</b>	<b>Hours worked in WIC</b>	<b>Hours spent on Administration</b>	<b>Percent of WIC time on Administration</b>	<b>Gross Annual Salary plus benefits with WIC \$</b>	<b>Annual Employee cost for Administration</b>
<b>TOTAL</b>						

- \* Col C = Col B/Col A
- \*\* Col E = Col C x Col D

**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
TOBACCO INTERVENTION REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC Position</b>	<b>Hours worked in WIC</b>	<b>Hours spent on Tobacco Intervention</b>	<b>Percent of WIC time on Tobacco Intervention</b>	<b>Gross Annual Salary plus benefits with WIC \$</b>	<b>Annual Employee cost for Tobacco Intervention</b>
<b>TOTAL</b>						

- \* Col C = Col B/ Col A
- \*\* Col E = Col C x Col D

**ARIZONA WIC PROGRAM  
PERSONNEL COSTS SUMMARY  
OTHER EXPENDITURE REPORT**

**LOCAL AGENCY:**\_\_\_\_\_

**DATE:**\_\_\_\_\_

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Name of employee</b>	<b>WIC position</b>	<b>Hours worked in WIC</b>	<b>Hours spent on other activities</b>	<b>Percent of WIC time on other activities</b>	<b>Gross Annual salary plus benefits with WIC \$</b>	<b>Annual Employee cost for administration</b>
<b>TOTAL</b>						

- \* Col C = Col B/ Col A
- \*\* Col E = Col C x Col D

# **ARIZONA WIC PROGRAM ANNUAL COST SUMMARY SHEET**

**Local Agency:**\_\_\_\_\_

**Fiscal Year:**\_\_\_\_\_

	Client services	Nutrition education	Breastfeeding promotion	Administration	Tobacco Intervention	Other
Personnel & ERE						
Professional & Outside Services						
Travel costs						
Occupancy costs						
Other operating costs						
Capital costs						
Indirect costs						
<b>TOTAL</b>						

\_\_\_\_\_  
Signature of Program Director

Date:\_\_\_\_\_

Submit this report and supporting documentation to: WIC Nutrition Programs Manager  
150 N. 18<sup>th</sup> Avenue, Suite 310  
Phoenix, Arizona 85007-3242